

*Administrative - Internal Use Only*

14 JUN 1974

MEMORANDUM FOR: Chief, Information Services Group

SUBJECT: S. 3540

1. The subject bill adds authority to classify material "Secret Defense Data" when the unauthorized disclosure of the material may reasonably be expected to cause damage to the national defense. This is in addition to Confidential, Secret and Top Secret.
2. It authorizes the automatic declassification of all classified material (Confidential, Secret and Top Secret) two years after the end of the month of the original classification.
3. Classified material may be assigned a deferred automatic declassification date by the President or by the head of the agency which originally classified the material. For each such item a written report providing detailed justification for continued classification must be submitted to the Committee on Government Operations of the Senate, the Committee on Government Operations of the House of Representatives and the Comptroller General of the U.S. Both committees will compile and print as a public document, at least annually, all such reports received by them except that upon recommendation of the President or the head of the agency concerned, material classified "Secret Defense Data" may be deleted. The complete document, however, without deletions, will be kept in committee files and made available, upon request, to any member of Congress.
4. The first deferred declassification date is limited to two years. Further written justification will be required for material which needs a longer deferred date. It should be noted that authority to defer declassification shall not be redelegated by the head of any agency.
5. No material classified "Secret Defense Data" may be withheld from the Congress or any committee or member thereof, or from any court of the United States.
6. The most serious problems which would be created for the Agency by passage of this bill follow:
  - a. There would be a complete breakdown in compartmentation because there would be a total loss of control of classified material. The Agency would thereby lose many of its assets.

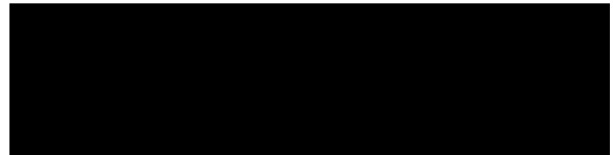
**Administrative - Internal Use Only**

b. It would require extensive involvement by the Director in classification and declassification.

c. The initial classification period would be very limited.

d. Excessive manpower would be required to review documents, request exemptions, etc.

25X1A



Deputy for Information Management, ISG

**Administrative - Internal Use Only**